



PRESS RELEASE

Ghanaian Parliament Ratifies South Deepwater Tano Block Petroleum Agreement

Accra, December 4, 2013 - The Parliament of the Republic of Ghana has ratified the Petroleum Agreement among the Government of Ghana, Ghana National Petroleum Corporation (GNPC), GNPC Exploration and Production Company Limited (Explorco) and AGM Petroleum Ghana Limited, to explore and operate the South Deepwater Tano Block (SDWT), offshore Ghana.

The ratification followed the approval of the Agreement by the Cabinet of the Government of Ghana and a review by the Parliamentary Select Committee on Mines, Energy and Petroleum.

The ratification grants the parties involved the exclusive right and authority to carry out all petroleum exploration, development and production activities in the South Deepwater Tano Block.

The SDWT Block of 3,482 km² is located in deep to ultra-deep water part of the Tano basin, with water depth ranging from 2,000m to about 3,500m. It is in close proximity to the Hess-operated Deepwater Tano – Cape Three Points block, where seven discoveries have been made, and the Vanco/Lukoil Deepwater Cape Three Points block, which has a discovery.

The agreement incorporates a significant commercial interest accruing to GNPC, through a GNPC subsidiary, Explorco. This adds to GNPC's hitherto normal Initial and Additional-Participation interest, making it more commercial.

The agreement gives Ghana and GNPC a stronger position in exploration and production than the country has held in past oil and gas agreements. The new strategy is much more rewarding as it will give Ghana a larger share of resources in the event of a discovery than under any existing agreement.

Mr Sverre Skogen, Chairman of AGM Petroleum, said: "The approval of the South Deepwater Tano Block Petroleum Agreement by the Parliament of Ghana marks a major milestone for AGM Petroleum and its partners. We look forward to working closely with GNPC to realise the potential of the block. The SDWT block represents an important opportunity for the people of Ghana and Corporate Social Responsibility will underpin the way we conduct our business. We are committed to partnering with our communities to improve their quality of life. We now look forward to bringing our collective experience in deep water exploration and moving forward with a plan to fulfill the agreed work programme."

Dr Martin Keeley, Acting Chief Executive of Minexco OGG Inc, added: "We are very appreciative of the endorsement AGM Petroleum has received from the President of the Republic of Ghana, John Dramani Mahama, his Cabinet and now from the Members of Parliament, to explore and operate the SDWT block. We look forward to building upon our relationship".



Mr. Alex Mould, Chief Executive of GNPC, said: “GNPC is thrilled about the ratification of the agreement by Parliament. Not only will this agreement increase the share of the resources and net revenues that would accrue to GHANA, but also makes GNPC a Joint Operator for the first time. This is a landmark achievement and presents a shift-in-paradigm opportunity for GNPC to realise its goal of becoming a world-class National Oil Company. The agreement aligns with GNPC’s overarching goal of becoming a ‘stand-alone’ operator in seven years and a world-class operator in 15 years, launched in 2012.”

About AGM Petroleum Consortium

AGM Petroleum Ghana Ltd is owned by a Consortium, AGR Gibraltar, comprising of Minexco (OGG) Inc. (“Minexco”), AGR Energy AS (“AGR”) and MED Songhai Developers Limited.

Minexco is a private oil and gas exploration company, which holds interest in oil and gas assets and having significant experience in managing and developing petroleum projects in West Africa. In Sierra Leone Minexco holds 90% equity interest and is operator of Block SL-07A-10.

AGR Energy AS is the exploration arm of the AGR Group, The AGR Group is one of the world’s most experienced deep-water drilling companies, having drilled close to 500 wells worldwide over the past 12 years and set the world record for the deepest offshore well below mud line, with operations in over 20 countries.

MED Songhai Developers Limited is a Ghana incorporated and Ghanaian-owned company with a considerable track record managing and financing infrastructure companies in Ghana.

www.agmpetroleum.com

About GNPC

GNPC was established as a State-owned entity to undertake the exploration, development, production and disposal of petroleum. The corporation was given legal backing through two main statutes i.e. PNDC Laws 64 and 84. The corporation’s vision is to become a leading global oil and gas company, whose operations have a profound impact on the quality of life of the people of Ghana.

www.gnpcghana.com

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